

No. 2023-7893

**Official Order  
of the  
Texas Commissioner of Workers' Compensation**

**Date:** 4/14/2023

**Subject Considered:**

Indemnity Insurance Company of North America  
115 Wild Basin Road, Suite 207  
West Lake Hills, Texas 78746

Consent Order

DWC Enforcement File Nos. 27591, 28113, 30524, 30533, 30680, 30687, 30742, 30747,  
30749, 30850, 30851, 30917, 30956, 31007, and 31016

**General remarks and official action taken:**

This is a consent order with Indemnity Insurance Company of North America, (Respondent). The commissioner of the Texas Department of Insurance, Division of Workers' Compensation (DWC) considers whether DWC should take disciplinary action against Respondent.

**Waiver**

Respondent acknowledges that the Texas Labor Code and other applicable laws provide certain rights. Respondent waives all of these rights, and any other procedural rights that apply, in consideration of the entry of this consent order.

**Findings of Fact**

1. Respondent holds a certificate of authority issued by the Texas Department of Insurance to transact the business of insurance pursuant to Tex. Ins. Code §§ 801.051-801.053 and is licensed to write workers' compensation-employers' liability insurance in Texas.
2. Respondent was classified as "average" tier in the 2007, 2009, 2010, 2012, 2014, 2016, 2018, 2020, and 2022 Performance Based Oversight (PBO) assessments.

Commissioner's Order

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Failure to Timely Pay Attorney Fees Ordered by DWC

*File No. 27591*

3. On [REDACTED] DWC ordered Respondent to pay attorney fees in connection with legal services provided to an injured employee. DWC ordered Respondent to pay attorney fees in the amount of 25% of each income benefit payment to the injured employee.
4. On [REDACTED] Respondent paid income benefits to the injured employee. Respondent was required to pay attorney fees in the amount of 25% of the income benefit paid to the injured employee. Respondent paid [REDACTED] which was not 25% of the income benefit paid to the injured employee.
5. On [REDACTED] Respondent paid income benefits to the injured employee. Respondent was required to issue payment for attorney fees in the amount of 25% of the income benefit paid to the injured employee. Respondent did not pay attorney fees.
6. On [REDACTED] Respondent paid [REDACTED] in attorney fees for the [REDACTED] and [REDACTED] late payments, which were 51 and 42 days late respectively.

Failure to Accurately Pay Accrued Impairment Income Benefits (IIBs)

*File No. 28113*

7. On [REDACTED] DWC ordered Respondent to pay attorney fees in connection with legal services provided to an injured employee. DWC ordered Respondent to pay attorney fees in the amount of 25% of each income benefit payment to the injured employee.
8. Between [REDACTED] and [REDACTED] Respondent deducted 28% of the injured employee's income benefits for attorney fees, resulting in an underpayment of IIBs as follows:

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	Benefit Period	Amount Deducted	Correct Amount	Underpayment Amount
a.				
b.				
c.				
d.				
e.				
f.				
g.				
			<b>TOTAL</b>	

9. On [REDACTED] Respondent completed paying the underpaid IIBs.

Failure to Timely Initiate Temporary Income Benefits (TIBs) and Failure to Timely Pay Accrued TIBs

File No. 30524

10. On [REDACTED] Respondent received notice in connection with an injury to an employee.

11. The first day of disability for the injured employee began on [REDACTED] and the-eighth day of disability accrued on [REDACTED]

12. Respondent was required to initiate or dispute TIBs the later of 15 days after it received written notice of the injury or seven days after the accrual date. In this case, the later date was on [REDACTED].

13. Respondent initiated TIBs on [REDACTED], when it made a partial initial TIBs payment of [REDACTED] for [REDACTED], through [REDACTED]

14. The injured employee was released for full work duty from [REDACTED] through [REDACTED]

15. On [REDACTED] Respondent paid [REDACTED] the remainder of initial TIBs for [REDACTED] through [REDACTED] which was 14 days late.

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- 16. Respondent was required to pay TIBs to the injured employee from [REDACTED] through [REDACTED]. The TIBs payment was due seven days after the first day of the pay period. In this case, the latest date to pay accrued TIBs was [REDACTED].
- 17. On [REDACTED], Respondent paid [REDACTED] in accrued TIBs six days late.

File No. 30680

- 18. On [REDACTED], Respondent received an injured employee's first notice of injury.
- 19. The injured employee's first day of disability began on [REDACTED], and the eighth day of disability accrued on [REDACTED].
- 20. Respondent was required to initiate or dispute TIBs the later of 15 days after receiving written notice of the injury or seven days after the accrual date. In this case, the later date was on [REDACTED].
- 21. Respondent initiated TIBs payments in the amount of [REDACTED] on [REDACTED], which was 29 days late.
- 22. Respondent was required to pay TIBs to the injured employee from [REDACTED] through [REDACTED]. The TIBs payments were due seven days after the first day of the pay period. Respondent failed to timely pay [REDACTED] in TIBs, as follows:

	Payment Period	Date Due	Date Paid	Days Late
a.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
b.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
c.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
d.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

File No. 31007

- 23. On [REDACTED] Respondent received an injured employee's first notice of injury.
- 24. The injured employee's first day of disability began on [REDACTED] and the eighth day of disability accrued on [REDACTED].

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25. Respondent was required to initiate or dispute TIBs the later of 15 days after it received written notice of the injury or seven days after the accrual date. In this case, the later date was on [REDACTED].

26. Respondent initiated TIBs payments in the amount of [REDACTED] on [REDACTED], which was 49 days late.

27. Respondent was required to pay TIBs to the injured employee from [REDACTED] through [REDACTED]. The TIBs payments were due seven days after the first day of the pay period. Respondent failed to timely pay [REDACTED] in TIBs, as follows:

	Payment Period	Date Due	Date Paid	Days Late
a.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
b.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
c.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
d.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Failure to Timely Respond to a Request for Reimbursement of Pharmaceutical Expenses

*File No. 30533*

28. On [REDACTED], Respondent received a request for reimbursement of [REDACTED] in pharmaceutical expenses for services provided on [REDACTED].

29. Respondent was required to respond by the 45th day from receipt of the request, or by [REDACTED].

30. Respondent reimbursed the injured employee [REDACTED] on [REDACTED], which was 82 days late.

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Failure to Timely Pay a Subsequent Quarter of Supplemental Income Benefits (SIBs)

*File No. 30687*

31. On [REDACTED] Respondent received a DWC Form-052, *Application for Supplemental Income Benefits* for the 8th quarter. The 8th quarter of SIBs began on [REDACTED].
32. Respondent's payment for the first month of the 8th quarter was due by the 10th day after Respondent received the application for SIBs or the seventh day of the 8th quarter, whichever is later. In this case, the latest date was [REDACTED].
33. Respondent issued a payment of [REDACTED] for SIBs for the first month of the 8th quarter on [REDACTED], which was 19 days late.

Failure to Timely Respond to a Request for Reimbursement of Medical Expenses

*File No. 30742*

34. On [REDACTED], Respondent received a request for reimbursement for [REDACTED] in health care services paid for by an injured employee.
35. Respondent was required to pay or deny the request not later than the 45th day after receipt, or by [REDACTED].
36. On [REDACTED] Respondent reimbursed the injured employee for the request, which was 82 days late.

Failure to Pay Accrued Income Benefits Based on a Designated Doctor (DD) Report

*File No. 30747*

37. On [REDACTED] Respondent received a DD examination report.
38. The DD determined that the injured employee reached maximum medical improvement (MMI) on [REDACTED] with an impairment rating (IR) of [REDACTED].

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- 39. Respondent was required to pay accrued IIBs no later than five days after receiving the DD report. The deadline to pay benefits was [REDACTED].
- 40. Respondent paid [REDACTED] in IIBs on [REDACTED], which was nine days late.

*File No. 30956*

- 41. On [REDACTED], Respondent received a DD examination report.
- 42. The DD determined that the injured employee reached MMI on [REDACTED], with a [REDACTED] IR.
- 43. Respondent was required to pay accrued IIBs no later than five days after receiving the DD report. The deadline to pay benefits was May 17, 2022.
- 44. Respondent paid [REDACTED] in IIBs on [REDACTED], which was 38 days late.

Failure to Timely Initiate Payment of TIBs

*File No. 30749*

- 45. On [REDACTED] Respondent received an injured employee's first notice of injury.
- 46. The injured employee's first day of disability began on [REDACTED], and the eighth day of disability accrued on [REDACTED].
- 47. Respondent was required to initiate or dispute TIBs the later of 15 days after it received written notice of the injury or seven days after the accrual date. In this case, the later date was on [REDACTED].
- 48. Respondent initiated [REDACTED] in TIBs on [REDACTED], which was 10 days late.

*File No. 30851*

- 49. On [REDACTED] Respondent received an injured employee's first notice of injury.

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- 50. The injured employee's first day of disability began on [REDACTED], and the eighth day of disability accrued on [REDACTED].
- 51. Respondent was required to initiate or dispute TIBs the later of 15 days after it received written notice of the injury or seven days after the accrual date. In this case, the later date was on [REDACTED].
- 52. Respondent filed a dispute with DWC on [REDACTED] which was 49 days late.
- 53. Due to the untimely dispute, Respondent was required to pay TIBs from the first date of disability to the date of dispute. On [REDACTED], Respondent paid [REDACTED] in TIBs 204 days late.

Failure to Timely Pay Accrued IIBs

File No. 30850

- 54. Respondent was required to pay IIBs to an injured employee for the period between [REDACTED] through [REDACTED]. The IIBs payments were due seven days after the first day of the pay period. Respondent failed to timely pay [REDACTED] in IIBs, as follows:

	Payment Period	Date Due	Date Paid	Days Late
a.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
b.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
c.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
d.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Failure to Timely Initiate TIBs, Failure to Timely Pay Accrued TIBs, and Failure to Pay Accrued Income Benefits Based on a DD Report

File No. 30917

- 55. On [REDACTED] Respondent received an injured employee's first notice of injury, which occurred on [REDACTED].



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- 56. The injured employee's first day of disability began on [REDACTED] and the eighth day of disability accrued on [REDACTED]
- 57. Respondent was required to initiate or dispute TIBs the later of 15 days after it received written notice of the injury or seven days after the accrual date. In this case, the later date was on [REDACTED]
- 58. On [REDACTED] Respondent initiated TIBs when it made a partial TIBs payment of [REDACTED]
- 59. On [REDACTED] Respondent made another partial TIBs payment in the amount of [REDACTED] toward the initial TIBs payment, which was 20 days late.
- 60. On [REDACTED] Respondent paid the remaining [REDACTED] of the initial TIBs payment, which was 62 days late.
- 61. On [REDACTED] Respondent paid [REDACTED] in interest for the late TIBs payment eight days late.
- 62. Respondent was required to pay TIBs to the injured employee from [REDACTED] through [REDACTED]. The TIBs payments were due seven days after the first day of the pay period. Respondent failed to timely pay [REDACTED] in TIBs, as follows:

	Payment Period	Date Due	Date Paid	Days Late
a.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
b.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
c.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
d.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
e.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
f.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
g.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
h.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
i.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
j.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
k.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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- 63. On [REDACTED] Respondent suspended TIBs based on a report from the injured employee's treating doctor stating the injured employee reached MMI with an IR of [REDACTED]
- 64. On [REDACTED] Respondent received a DD report which stated the injured employee had not reached MMI and was expected to reach MMI on or about [REDACTED]
- 65. Respondent did not resume payment of TIBs in accordance with the DD report.
- 66. On [REDACTED] Respondent sent a PLN-11, *Notice of Disputed Issue(s) and Refusal to Pay Benefits* disputing that the work-related injury prevented the injured employee from getting or keeping a job that pays what the injured employee earned pre-injury.
- 67. Respondent was required to pay TIBs to the injured employee from [REDACTED] through [REDACTED]. The TIBs payments were due seven days after the first day of the pay period. Respondent failed to timely pay [REDACTED] in TIBs, as follows:

	Payment Period	Date Due	Date Paid	Days Late
a.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
b.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
c.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
d.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
e.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
f.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
g.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
h.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
i.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
j.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
k.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
l.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
m.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
n.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
o.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
p.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Confidential Information Redacted Texas  
Labor Code §§402.083 and 402.092

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q.							
r.							
s.							
t.							
u.							

68. On [REDACTED], Respondent paid interest 9 days late.

Failure to Timely Act on a Request for Reconsideration

*File No. 31016*

69. On [REDACTED], Respondent received a complete request for reconsideration of a medical bill from a health care provider for medical services rendered to the injured employee on [REDACTED].

70. Respondent was required to act on the request for reconsideration not later than the 30th day of receipt of the request, or by [REDACTED].

71. Respondent acted on the medical bill by paying [REDACTED] on [REDACTED] which was 39 days late.

72. On [REDACTED], Respondent paid [REDACTED] in interest, which was six days late.

**Assessment of Sanction**

1. Failure to timely pay attorney fees ordered by DWC hinders the division's goal of providing a fair and accessible dispute resolution process and is harmful to the Texas workers' compensation system.
2. Failure to provide income benefits and interest in a timely and cost-effective manner is harmful to injured employees and the Texas workers' compensation system.
3. Prompt reimbursement of medical bills is imperative to DWC's goal of ensuring that injured employees have access to prompt, high-quality medical care.

4. In assessing the sanction for this case, DWC fully considered the following factors in Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e):
  - the seriousness of the violation, including the nature, circumstances, consequences, extent, and gravity of the prohibited act;
  - the history and extent of previous administrative violations;
  - the violator's demonstration of good faith, including actions it took to rectify the consequences of the prohibited act;
  - the penalty necessary to deter future violations;
  - whether the administrative violation had a negative impact on the delivery of benefits to an injured employee;
  - the history of compliance with electronic data interchange requirements;
  - to the extent reasonable, the economic benefit resulting from the prohibited act; and
  - other matters that justice may require, including, but not limited to:
    - PBO assessments;
    - prompt and earnest actions to prevent future violations;
    - self-report of the violation;
    - the size of the company or practice;
    - the effect of a sanction on the availability of health care; and
    - evidence of heightened awareness of the legal duty to comply with the Texas Workers' Compensation Act and DWC rules.
5. DWC found the following factors in Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e) to be aggravating: the seriousness of the violation, including the nature, circumstances, consequences, extent, and gravity of the prohibited act; the history and extent of previous administrative violations; the penalty necessary to deter future violations; whether the administrative violation had a negative impact on the delivery of benefits to an injured employee; to the extent reasonable, the economic benefit resulting from the prohibited act; and other matters that justice may require, including, but not limited to the size of the company or practice and evidence of heightened awareness of the legal duty to comply with the Texas Workers' Compensation Act and DWC rules.
6. DWC is aware of no mitigating factors pursuant to Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e).

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7. Respondent acknowledges communicating with DWC about the relevant statute and rule violations alleged; that the facts establish that the administrative violation(s) occurred; and that the proposed sanction is appropriate, including the factors DWC considered under Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e).
8. Respondent acknowledges that, in assessing the sanction, DWC considered the factors in Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e).

### **Conclusions of Law**

1. The commissioner has jurisdiction over this matter pursuant to Tex. Lab. Code §§ 402.001, 402.00114, 402.00116, 402.00128, 414.002, and 414.003.
2. The commissioner has the authority to dispose of this case informally pursuant to Tex. Gov't Code § 2001.056, Tex. Lab. Code §§ 401.021 and 402.00128(b)(6)-(7), and 28 Tex. Admin. Code § 180.26(h) and (i).
3. Respondent has knowingly and voluntarily waived all procedural rights to which it may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intent to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, a rehearing by the commissioner, and judicial review.
4. Pursuant to Tex. Lab. Code § 415.021, the commissioner may assess an administrative penalty against a person who commits an administrative violation.
5. Pursuant to Tex. Lab. Code § 415.002(a)(20), an insurance carrier or its representative commits an administrative violation each time it violates a DWC rule.
6. Pursuant to Tex. Lab. Code § 415.002(a)(22), an insurance carrier or its representative commits an administrative violation each time it fails to comply with a provision of the Texas Workers' Compensation Act.

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*File No. 27591*

7. Pursuant to Tex. Lab. Code §§ 415.021(a) and 415.0035(e), an insurance carrier commits an administrative violation if it violates, fails to comply with, or refuses to comply with a DWC order.
8. Pursuant to 28 Tex. Admin. Code § 152.1(c), insurance carriers are required to pay attorney fees ordered by DWC. The insurance carrier must begin payment out of the approved income benefits by mailing a check to the attorney within seven days after receiving the order. As the insurance carrier pays income benefits, it must pay attorney fees until the fees are completely paid or income benefits cease.
9. Respondent violated Tex. Lab. Code §§ 415.002(a)(20) and (22), 415.021(a), and 415.0035(e) and 28 Tex. Admin. Code § 152.1(c) by failing to timely comply with a DWC order to pay attorney fees.

Failure to Timely Respond to a Request for Reimbursement of Pharmaceutical Expenses

*File No. 30533*

10. Pursuant to 28 Tex. Admin. Code § 134.504, an insurance carrier shall make appropriate payment to the injured employee or notify the injured employee of a reduction or denial of the payment within 45 days of receipt of the request for reimbursement for prescription drugs or over-the-counter alternatives to prescription drugs prescribed from the injured employee.
11. Respondent violated Tex. Lab. Code § 415.002(a)(20) and 28 Tex. Admin. Code § 134.504 by failing to timely act on a request for reimbursement of pharmaceutical expenses.

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Failure to Timely Respond to a Request for Reimbursement of Medical Expenses

*File No. 30742*

12. Pursuant to 28 Tex. Admin. Code § 133.270, an insurance carrier shall pay or deny the injured employee's request for reimbursement within 45 days of receipt.
13. Respondent violated Tex. Lab. Code § 415.002(a)(20) and 28 Tex. Admin. Code 133.270(c) by failing to respond to a request for reimbursement for out-of-pocket medical expenses within 45 days of receipt.

Failure to Timely Initiate Payment of TIBs

*File Nos. 30524, 30680, 30749, 30851, 30917, and 31007*

14. Pursuant to Tex. Lab. Code § 409.021(e) and 28 Tex. Admin. Code § 124.3, an insurance carrier or its representative commits an administrative violation by failing to pay benefits, file a Notice of Denial on the compensability of a claim, or file a Notice of Continuing Investigation within 15 days after receiving written notice of the injury.
15. Respondent violated Tex. Lab. Code §§ 409.021 and 415.002(a)(20) and (22) and 28 Tex. Admin. Code § 124.3 each time Respondent failed to timely initiate TIBs.

Failure to Timely Pay Accrued TIBs

*File Nos. 30524, 30680, 30917, and 31007*

16. Pursuant to Tex. Lab. Code §§ 408.081, 409.023, and 415.002(a)(16), an insurance carrier must pay benefits weekly, as and when the benefits accrue, without order from the commissioner.
17. Pursuant to Tex. Lab. Code §§ 408.081, 408.082, and 409.021 and 28 Tex. Admin. Code §§ 124.3 and 124.7, an insurance carrier is required to initiate payment of TIBs no later than the 15th day after it receives written notice of the injury or the seventh day after the accrual date, unless the insurance carrier notifies DWC and the injured employee in writing of its refusal to pay.

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18. Respondent violated Tex. Lab. Code §§ 409.021 and 415.002(a)(16), (20), and (22) and 28 Tex. Admin. Code §§ 124.3 and 124.7 each time Respondent failed to timely pay accrued TIBs.

Failure to Accurately Pay IIBs

*File No. 28113*

19. Tex. Lab. Code § 408.081(a) an injured employee is entitled to timely and accurate income benefits.
20. Pursuant to Tex. Lab. Code § 408.126, IIBs are equal to 70% of the injured employee's average weekly wage.
21. Respondent violated Tex. Lab. Code §§ 408.081(a) and 415.002(a)(22) each time Respondent failed to accurately pay IIBs.

Failure to Timely Pay Accrued IIBs

*File No. 30850*

22. Pursuant to Tex. Lab. Code §§ 408.081, 409.023, and 415.002(a)(16), an insurance carrier must pay benefits weekly, as and when the benefits accrue, without order from the commissioner.
23. Pursuant to Tex. Lab. Code § 408.121(b) and 28 Tex. Admin. Code § 130.8, an employee's entitlement to IIBs begins the day after the employee reaches MMI and, when the date of MMI is not disputed, the carrier shall initiate payment of IIBs on or before the fifth day after the date of receipt of the employee's treating doctor's medical evaluation report.
24. Respondent violated Tex. Lab. Code §§ 409.023; 415.002(a)(16), (20) and (22); and 28 Tex. Admin. Code § 130.8 each time it failed to pay accrued IIBs.



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Failure to Pay Accrued Income Benefits Based on a DD Report

*File Nos. 30747, 30917, and 30956*

25. Pursuant to Tex. Lab. Code §§ 408.081, 409.023, and 415.002(a)(16), an insurance carrier must pay benefits weekly, as and when the benefits accrue, without order from the commissioner.
26. Pursuant to Tex. Lab. Code § 408.0041(f), an insurance carrier must pay benefits based on the opinion of the DD during any pending dispute.
27. Pursuant to 28 Tex. Admin. Code § 127.10(h), an insurance carrier must pay all benefits in accordance with the DD report for the issues in dispute no later than five days after receiving the report.
28. Respondent violated Tex. Lab. Code §§ 409.023 and 415.002(a)(16), (20), and (22); and 28 Tex. Admin. Code § 127.10(h) by failing to timely pay accrued income benefits in accordance with the DD report no later than five days after receiving the report.

Failure to Timely Pay a Subsequent Quarter of SIBs

*File No. 30687*

29. Pursuant to Tex. Lab. Code § 408.144, SIBs are calculated quarterly and paid monthly.
30. Pursuant to Tex. Lab. Code § 408.145, an insurance carrier must pay SIBs no later than the seventh day after the employee's impairment income benefit period expires and must continue to pay the benefits in a timely manner.
31. Pursuant to Tex. Lab. Code § 409.023, an insurance carrier must continue to pay benefits promptly as and when benefits accrue without a final decision, order, or other action from the commissioner, except as otherwise provided.
32. Pursuant to 28 Tex. Admin. Code § 130.107, an insurance carrier must make the first payment of SIBs for a subsequent quarter by the 10th day after receiving the

Commissioner's Order

Indemnity Insurance Company of North America

DWC Enforcement File Nos. 27591, 28113, 30524, 30533, 30680, 30687, 30742, 30747, 30749, 30850, 30851, 30917, 30956, 31007, and 31016

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application for supplemental income benefits or the seventh day of the quarter. An insurance carrier must make the second payment by the 37th day of the quarter and the third payment by the 67th day of the quarter.

33. Respondent violated Tex. Lab. Code §§ 408.144, 408.145, 409.023, 415.002(a)(20) and (22) and 28 Tex. Admin. Code § 130.107 when it failed to timely pay a subsequent quarter of SIBs.

#### Failure to Timely Act on a Request for Reconsideration

*File No. 31016*

34. Pursuant to 28 Tex. Admin. Code § 133.250(g), an insurance carrier shall take final action after receipt of a request for reconsideration of a medical bill not later than the 30th day after the date the insurance carrier received the request.
35. Respondent violated Tex. Lab. Code § 415.002(a)(20) and 28 Tex. Admin. Code § 133.250(g) each time Respondent failed to timely act on a request for reconsideration of a medical bill.

#### Failure to Timely Pay Interest for Indemnity Benefits

*File No. 30917*

36. Pursuant to Tex. Lab. Code § 408.064 and 28 Tex. Admin. Code § 126.12(b), accrued but unpaid income benefits and interest shall be paid in a lump sum.
37. Respondent violated Tex. Lab. Code § 415.002(a)(20) and (22) and 28 Tex. Admin. Code § 126.12(b) each time Respondent failed to timely pay interest with accrued but unpaid income benefits.

Commissioner's Order

Indemnity Insurance Company of North America

DWC Enforcement File Nos. 27591, 28113, 30524, 30533, 30680, 30687, 30742, 30747, 30749, 30850, 30851, 30917, 30956, 31007, and 31016

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Failure to Timely Act on a Request for Reconsideration

*File No. 31016*

38. Pursuant to 28 Tex. Admin. Code § 133.250(g), an insurance carrier shall take final action after receipt of a request for reconsideration of a medical bill not later than the 30th day after the date the insurance carrier received the request.
39. Respondent violated Tex. Lab. Code § 415.002(a)(20) and 28 Tex. Admin. Code § 133.250(g) when Respondent failed to act on the request for consideration within 30 days of receipt of the request.

Failure to Timely Pay Interest for Medical Benefits

*File No. 31016*

40. Pursuant to Tex. Lab. Code § 413.019(a) and 28 Tex. Admin. Code § 134.130(a), an insurance carrier must pay interest on medical bills paid on or after the 60th day after the insurance carrier originally received the complete medical bill.
41. Respondent violated Tex. Lab. Code § 415.002(a)(20) and (22) each time Respondent failed to pay interest on medical bills paid on or after the 60th day after the insurance carrier originally received the complete medical bill.

Commissioner's Order


Indemnity Insurance Company of North America

DWC Enforcement File Nos. 27591, 28113, 30524, 30533, 30680, 30687, 30742, 30747, 30749, 30850, 30851, 30917, 30956, 31007, and 31016


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**Order**

It is ordered that Indemnity Insurance Company of North America must pay an administrative penalty of \$80,300 within 30 days from the date of this order. Indemnity Insurance Company of North America must pay the administrative penalty by company check, cashier's check, or money order and make it payable to the "State of Texas." Mail the administrative penalty to the Texas Department of Insurance, Attn: DWC Enforcement Section, MC AO-9999, PO Box 12030, Austin, Texas 78711-2030.

  
\_\_\_\_\_  
Jeff Nelson  
Commissioner  
TDI, Division of Workers' Compensation

Approved Form and Content:

  
\_\_\_\_\_  
Tyrus Housh  
Staff Attorney, Enforcement  
Compliance and Investigations  
TDI, Division of Workers' Compensation

Commissioner’s Order

Indemnity Insurance Company of North America

DWC Enforcement File Nos. 27591, 28113, 30524, 30533, 30680, 30687, 30742, 30747, 30749, 30850, 30851, 30917, 30956, 31007, and 31016

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**Unsworn Declaration**

**STATE OF** Delaware §

§

**COUNTY OF** New Castle §

Pursuant to the Tex. Civ. Prac. and Rem. Code § 132.001(a), (b), and (d), my name is Daniel S. Hawthorne. I hold the position of AVP, NA Claims Compliance Manager and am the authorized representative of Indemnity Insurance Company of North America. My business address is:

1 Beaver Valley Road, Wilmington, New Castle DE, 19803.

(Street) (City) (County) (State) (ZIP Code)

I am executing this declaration as part of my assigned duties and responsibilities. I declare under penalty of perjury that the facts stated in this document are true and correct.

*Daniel S. Hawthorne*

Declarant

Executed on March 29, 2023.